

8 February 1985

MEMORANDUM FOR: Director of Personnel

VIA: Deputy Director of Personnel for Employee  
Benefits and Services  
Associate Deputy Director of Personnel for Employee  
Benefits and Services

FROM: [REDACTED]  
Chief, Insurance Operations Division

SUBJECT: Audit of the Association Benefit Plan

1. Mr. Larry Waligora of the Office of Personnel Management (OPM) telephoned [REDACTED] on 5 February 1985 to indicate OPM's IG Staff had advised that they do wish to audit the Association Benefit Plan. Mr. Waligora asked that we contact Mr. Dave Cope of their Inspection Staff to advise him of the procedures necessary to grant clearance to the audit team. Mr. Waligora further advised that one member of the audit staff was Latvian by birth but now a United States citizen. Bob told Mr. Waligora it may be difficult to grant a clearance to this individual if he had frequent contact with relatives that continue to reside in the U.S.S.R. He understood this, and indicated he had already suggested to Mr. Cope that he may want to consider his removal from this audit.

2. Bob told Mr. Waligora that he would seek internal approval for their audit, find out what necessary paperwork had to be completed and call Mr. Cope to advise him of these findings.

3. I talked to [REDACTED] Audit Staff, who had checked with his people regarding the OPM audit. [REDACTED] advised they would cooperate fully and make their working papers available to the OPM Team.

4. It is my understanding that we had agreement with OPM not to conduct an audit because we have an internal audit annually. However, per OGC, OPM can legally request an audit if they desire.

[REDACTED]

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5 December 1984

MEMORANDUM FOR THE RECORD

1. During the recent audit of Government Employees Health Association, Inc. (GEHA), we noted that the Claims Receivable accounts analysis showed many small amounts as reconciling items. These items were the differences between amounts paid out on claims and reimbursements received from Mutual of Omaha, and usually resulted from typing or addition errors. GEHA records these amounts and will adjust future claims (if any) for the over/under payments.

2. This procedure is cumbersome, inefficient, and time consuming. GEHA should establish a policy of writing-off minor adjustments, up to a designated maximum dollar amount, when properly approved. The write-off could be done monthly after the Claims Receivable accounts have been reconciled. A one dollar limit has been suggested as the initial maximum write-off.

3. We recommend that GEHA establish a policy of writing off (to expense) small adjustments (under \$1.00) with the written approval of the Chief or Deputy Chief, Insurance Division.

  
Audit Manager  
Audit Staff, OIG

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